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## Haiti: Towards and Beyond the Donors' Conference

### Summary

- Haiti's January 12 earthquake left up to 300,000 people dead, an equal number injured, and more than a million displaced; overall damage and loss are valued at \$7.9 billion, or about 120 percent of Haiti's 2009 gross domestic product.
- The immediate international response focused on rescue, the provision of humanitarian relief and security, and cleanup.
- The March 31 Donors' Conference in New York yielded both a Haitian-led recovery and development plan supported by international donors and a mechanism for coordinating donor allocated resources.
- Donors pledged more than \$5 billion over the next 18 months.
- Activities initiated over the next 18 months must support longer-term strategies to revitalize all of Haiti, including long neglected rural areas.
- Haiti's decentralized recovery and development must address its debilitating inequality and poverty while strengthening the capacity of the government.

“The aftermath of the earthquake should be an opportunity to address imbalances that have put Haiti in deep poverty, dependence and underdevelopment.”

### The Immediate Aftermath of the Earthquake

The earthquake of January 12, 2010 left up to 300,000 people dead, an equal number injured, and more than 1.3 million displaced. Overall damage and losses have been estimated at \$7.9 billion, or 120 percent of Haiti's 2009 gross domestic product. The international response was quick and decisive, reflecting a commitment to the moral and humanitarian imperative posed by the catastrophe.

For the United States, the response also reflected Haiti's strategic importance. U.S. troops were rapidly deployed to restore and manage airport operations and communications, to provide humanitarian relief and to ensure security. They also oversaw the evacuation of U.S. citizens and severely injured Haitians. At peak deployment, there were more than 20,000 U.S. military personnel either in Haiti or off its coast. That rapid deployment addressed a potential security gap caused by the severe losses suffered by the United Nations Stabilization Mission to Haiti (MINUSTAH) and the Haitian government, including the Haitian National Police (HNP).

Stories of perseverance and successful coping amidst tragedy paralleled Haiti's great devastation and loss. Its already weak government was decimated further when nearly 17 percent of civil servants perished in the earthquake. The Presidential Palace, parliament building and all but one

government ministry were destroyed. Survivors regained their bearing as the government slowly reasserted itself both in Haiti and internationally. The people of Haiti demonstrated remarkable resilience in the face of unspeakable disaster. They worked together to clear rubble and rescue survivors; found solace in fellowship and prayer; built temporary communities from the rubble of old ones; fled quake-affected zones in large numbers to rejoin family and friends throughout the country; persevered amidst uncertainty.

Defying widely held post-quake fears, Haiti remained relatively peaceful after the earthquake.

## Transitioning Towards Recovery and Development

There remains an immediate and compelling need to provide adequate and safe shelter, sanitation and health care to the hundreds of thousands of people displaced on January 12th. The advent of rainy season with the hurricane season to follow has underscored the urgency to meet these needs. Concurrent with the ongoing humanitarian focus has been the transition toward recovery and development. Of particular concern is to ensure in U.N. Special Envoy Bill Clinton's phrase that Haiti is "built back better," with a strengthened Haitian government as the lead entity. In addition to the necessity of rebuilding, Haiti faces an important political challenge. Parliamentary elections scheduled for the end of February had to be postponed. The terms of incumbents end in May. Additionally, the five-year term of President Rene Preval ends in early 2011 with a presidential election due in late 2010. Haitian leaders will have to determine when and how to hold these elections, or risk sparking political unrest.

After the quake, the U.N. moved to augment MINUSTAH's strength by adding 3,500 soldiers and police. With the U.N. Mission and Haitian National Police regaining their ability to provide security and oversee public safety, most U.S. military personnel have departed with the remainder shifting to more specialized roles such as engineering services, logistical support, and port management.

## The March 31 Donors' Conference Pledges Billions in Aid

Before January 12, 2010, Haiti was making progress toward political stability and economic growth. Even then, however, a major challenge remained to improve the social and economic conditions of Haiti's poor, comprising some 80 percent of the population. Post-quake strategies must take into consideration not just rebuilding the damaged infrastructure, but ensuring greater inclusion, less inequality and sustainable growth. A Post-Disaster Needs Assessment identified needs and recommended priorities in advance of the International Donors' Conference held on March 31 at the United Nations. At the New York conference, delegates from more than 50 countries and international organizations endorsed the Haitian government's action plan for national recovery and development, pledging \$5.3 billion in support over the next 18 months. The comprehensive plan sets forth parameters not just for rebuilding zones devastated by the earthquake, but also for rejuvenating all of Haiti through decentralized investment and national social recovery. Investing in agriculture and rehabilitating Haiti's environment are key tenets of the recovery strategy.

Improving governmental capacity and effectiveness is also a key element of the internationally endorsed plan. A literal aspect of Haiti's ability to 'build back better' will be enabling the government to enforce the stricter and more costly building codes required to mitigate against future natural disasters. This will not be achieved unless there are functional and transparent public mechanisms for enforcing these laws. Although strengthening government also includes rebuilding the requisite physical infrastructure in the capital city, including the prospective restoration of the iconic National Palace, it also includes enacting provisions for the effective decentralization of the government's ability to engage the population and deliver services to citizens throughout the country.

To manage and direct the recovery and development process over the next 18 months, a joint Haitian and international Interim Haiti Recovery Commission, headed by Haitian Prime Minister Jean-Max Bellerive and U.N. Special Envoy to Haiti Bill Clinton, has been established. A multidonor trust fund managed by the World Bank has also been created, as a means of coordinating the allocation of donor resources to activities determined by the commission in accordance with the recovery plan. The subsequent creation of a Haiti Development Authority to continue the work of the commission has been proposed.

## Prioritizing Youth and Rural Development for Economic Recovery

The underlying tenets of the Action Plan for National Recovery and Development are the necessity to address demographic and resource allocation imbalances and to develop mechanisms to promote rule of law and enable the Haitian government to fulfill its obligations to all Haitians. The important focus on developing Haiti's rural economy and society has achieved added impetus by the fact that since January 12th some 700,000 people have left Port-au-Prince for cities, towns and villages throughout the country. Within weeks of the earthquake, the Haitian government pointed out the necessity of taking steps to reinforce rural economies and the capacity of the already impoverished countryside to accommodate this significant influx. It proposed investing in 200 towns and villages in rural Haiti, creating "welcome centers" to cluster relief, education, health, investment and decentralized government services, in agronomy for example. Without urgent attention to these cities, towns and villages, those displaced by the earthquake will eventually return to Port-au-Prince, bringing others with them, to replicate the precarious conditions that resulted in such death, displacement and devastation on January 12th.

The Haitian government's action plan calls for the creation of jobs using labor intensive projects. The Haitian constitution provides a framework for mobilizing people not just to create these jobs, but also to achieve the country's decentralized development. Discussions had begun among Haitians in 2007 to create a youth service corps that would undertake public works and environmental rehabilitation. The envisaged corps would also serve as a means to provide this large segment of Haiti's population with opportunities for skill training and a cash-paying job and the dignity that accompanies it, as well as to form the foundation for natural disaster mitigation and response. In the aftermath of the earthquake, these discussions have accelerated, with national civic service viewed as a viable means for implementing recovery and development strategies.

Rebuilding Haiti's economy also requires ensuring that more resources are available to the country's small and medium enterprises, particularly those in what has been called the informal economy. Microcredit finance is one means of financing grassroots capitalists, including small farmers. Another strategy is the adaptation of the conditional cash transfer approach that has been used successfully in such countries as Brazil and Mexico to alleviate poverty while investing in the country's future human resources. Modest monthly cash transfers to the poorest families are conditioned upon attendance of their children at school and their receipt of regular health check-ups.

In addition to small and medium enterprises, Haiti's large enterprises have a key role to play in reconstruction, particularly through the creation or expansion of wage employment both in urban-based enterprises and in agribusiness ventures. Long-term economic sustainability will require not only the active engagement of all components of Haiti's business sector, but also an approach toward investing and remuneration that enables workers to begin climbing a socioeconomic ladder. By promoting socially responsible approaches, investors, the Haitian government and donors can help to achieve this goal.

## ABOUT THIS BRIEF

This report is based on a February 25 panel presentation sponsored by USIP's Haiti Working Group to discuss "Haiti: Six Weeks Later." The panel consisted of Reverend Tom Streit, director of the Haiti Program and research assistant professor of Biological Sciences, University of Notre Dame; Mary Beth Sheridan, diplomatic correspondent, *The Washington Post*; Tim Sullivan, manager of the Center for Defense Studies, American Enterprise Institute; and Dr. Robert Maguire, chairman of USIP's Haiti Working Group and former Jennings Randolph Senior Fellow and associate professor, Trinity Washington University. Robert Perito, director of USIP's Haiti Program, served as moderator.

## Recommendations

- The Action Plan for National Recovery and Development of Haiti endorsed at the March 31st Donors' Conference calls for Haitians to be in the lead. A Haitian-led development plan is necessary to overcome the country's history of poverty, inequality and dependence.
- Haiti's governmental institutions and capacity must be strengthened. Donor funding must support public institutions, rather than being channeled almost exclusively through nongovernmental organizations.
- Political stability during recovery and development will be best achieved if the Haitian government is able to transition from being absent in the lives of most Haitians to being a visible and active partner in the delivery of services based on transparency, accountability, the rule of law, and broad-based inclusion.
- To sustain a de-concentration of the population, schools, health care facilities, economic opportunities, and infrastructure must be improved throughout the countryside.
- A civic service corps should be created as an integral element of the country's recovery and development strategy.
- Rebuilding the economy will require opportunities for small, medium and large-scale entrepreneurs to have access to cash. For those traditionally excluded from access, expanded microcredit and implementation of a conditional cash transfer program are essential.
- Rebuilding Haiti's economy must focus on sustainable, grassroots efforts to give Haitians the skills and means to participate to their fullest extent in rebuilding their economy.



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